

**Managed Risk Medical Insurance Board
January 15, 2014 Public Session**

Board Members Present: Clifford Allenby, Chairperson
Ellen Wu
Samuel Garrison

Ex Officio Members Present: Robert Ducay, Designee for California Health
and Human Services Agency

Staff Present: John Ramey, Executive Director
Morgan Staines, Chief Counsel, Legal
Tony Lee, Deputy Director, Administration
Ernesto Sanchez, Deputy Director, Eligibility, Enrollment
& Marketing
Alissa Harris, Staff Counsel, Legal
Jordan Espey, Manager, Legal/ External Affairs
Larry Lucero, Manager, Eligibility, Enrollment & Marketing
Loressa Hon, Manager, Administration
Maria Angel Garcia, Executive Assistant to the Board and
the Executive Director

Public Comment: Lucy Quacinella, Esq., Maternal and Child Health Access

Chairman Allenby called the meeting to order at 10:00 a.m. The Managed Risk Medical Insurance Board went into Executive Session and resumed public session at 10:45 a.m.

REVIEW AND APPROVAL OF MINUTES OF NOVEMBER 20, 2013 PUBLIC SESSION

The minutes of the November 20, 2013 public session were approved as submitted.

The November 20, 2013 Public Minutes are located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_Item_3-Public_Minutes_11-20-2013_Final.pdf

STATE BUDGET UPDATE

John Ramey gave an introduction to Agenda Item 4, the State Budget Update. Mr. Ramey reported to the Board that the Governor has proposed that MRMIB and all of its programs be transitioned to either the Exchange or the Department of Health Care Services, and that MRMIB be terminated as an agency.

Mr. Ramey explained that 25 years ago, when the MRMIP program was established, the MRMIB staff and the Board were committed to the concept that the people of California needed healthcare coverage, and that has indeed come together successfully.

Mr. Ramey also stated that, from the Governor's perspective, Covered California exists and is working better than it's working anywhere else. In addition, the Governor has supported the expansion of the Medi-Cal program significantly as it is provided for under the Affordable Care Act.

Mr. Ramey stated that although we are reluctant to part ways, it should also be a time of celebration for MRMIB and its staff because we have essentially accomplished what we set out to do many years ago. Mr. Ramey said that it's good to keep all of this in perspective as we think about the budget, and that great things are happening.

Loressa Hon reported on Agenda Item 4. Ms. Hon explained that there are eight pages in the Governor's budget for fiscal year 2014-2015 which proposes language to eliminate MRMIB and transfer the remaining programs, which include AIM, CHIM and MRMIP, to the Department of Health Care Services effective July 1, 2014.

Ms. Hon stated that in the current fiscal year, the Governor's budget proposed to provide \$350 million for all of MRMIB's programs, of which \$9.6 million was for State operations and \$340.5 million was for local assistance. In the proposed 2014-2015 fiscal year budget, the Governor provides for \$177.6 million for the programs that are currently administered by MRMIB and are proposed to transition to DHCS on July 1, 2014. Ms. Hon explained that this funding is also included in the DHCS budget for the fiscal year 2014-2015.

Ms. Hon also explained the additional documents provided to the Board for Agenda Item 4, including a document with current year enrollment level by program and significant budget assumptions, as well as the provisional notification from the Department of Finance to the Joint Legislative Budget Committee on the next two waves of MRMIB Healthy Families staff that would be transitioned to DHCS.

Chairman Allenby asked if there were any questions or comments. There were none.

The documents provided on the State Budget Update are located here:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_Item_4-State_Budget_Update.pdf

IMPLEMENTATION OF THE DEPARTMENT OF HEALTH CARE SERVICES AIM LINKED INFANT PROGRAM EFFECTIVE FEBRUARY 1, 2014

Ernesto Sanchez reported on Agenda Item 5, resolution for the implementation of the Department of Health Care Services AIM Linked Infant Program effective February 1, 2014.

Mr. Sanchez stated that this resolution is being brought to the Board because MRMIB has been working with DHCS in preparation for the new DHCS AIM Linked Infant and Children's Program. Mr. Sanchez reported that DHCS and Maximus have indicated that they are ready to go as of February 1, 2014 and requested the Board's approval to stop the enrollment of AIM Linked Infants into the Healthy Families Program as of January 31, 2014.

Chairman Allenby asked if there were any questions or comments.

Ex Officio Member Robert Ducay added that two notifications had gone out on December 31, 2013. One notice was to AIM mothers who had already given birth, notifying them that on February 1, 2014 their child would transition to the new DHCS program. The other notice went to women currently in the AIM program who have not given birth, and let those mothers know that once they give birth and DHCS receives notification, that they will be automatically enrolled into the new DHCS program.

Chairman Allenby asked if there were any other questions or comments.

Lucy Quacinella from Maternal and Child Health Access ("MCHA") stated that her organization has no quarrel with the plan to transition the infants to the Department of Health Care Services, but she wanted to clarify the terminology that DHCS has been using recently with respect to the infants coming over to DHCS. Specifically, she wanted to discuss coverage during the first year for these babies.

Ms. Quacinella stated that AIM started out as a State-only program, and when it was a State-only program, the babies went into the mom's AIM health plan for two years. She said that this was very visionary and innovative. She then explained that in around 2003, when the State decided to draw down federal funds through the CHIP program, that the rules were changed but it was still retained in State statute that infants were covered during their first year. However, there was a different process for the second year when the infants could only have income up to 300% of poverty, like mom.

Ms. Quacinella stated that there shouldn't be a question of infant eligibility in the first year, and that everything she has seen from MRMIB and staff appears consistent with that view. However, she is not sure if that is the view that DHCS has. She asked for clarification and for ongoing technical assistance in communication with DHCS to make sure that this is done right.

In response, Mr. Sanchez stated that although he cannot speak for our sister agency, in all of the discussions with DHCS, there has always been talk of a registration process and never discussions about it as an enrollment. Mr. Sanchez stated that we know that eligibility for AIM linked infants is based on the mother's eligibility in the AIM program for the first year, and that he doesn't believe there's any difference from DHCS on that part.

Ms. Quacinella stated that she was glad to hear that, and perhaps it is just a miscommunication or difference in terminology. She then asked that if for example there was an AIM linked one-month old, and the mother sent in the registration form but at that time the mother's income exceeded 300% of poverty, would the infant still be deemed eligible for the first year under state statute?

Mr. Sanchez replied that under our state statute, the infant would be eligible based on the mother's original AIM eligibility. He offered to pose Ms. Quacinella's same question to DHCS.

Ms. Quacinella thanked Mr. Sanchez and said that our state statute in the Insurance Code uses the term they're "deemed eligible" in the first year.

Chairman Allenby stated that we all follow the law, whether it's MRMIB or DHCS. He then called for a motion on the resolution.

Board Member Ellen Wu moved to adopt the resolution for implementation of DHCS's AIM Linked Infant Program, and Board Member Samuel Garrison seconded the motion. The motion was unanimously carried.

The Resolution – Implementation of DHCS AIM-Linked Infant Program can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_Item_5_Board_Resolution_AIM-Linked_Infants.pdf

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Mr. Sanchez reported on Agenda Item 6.a, the AIM Enrollment Report. A total of 687 new AIM mothers were enrolled, bringing current enrollment to slightly under 5,500. There were no major shifts in subscriber ethnicity and demographics. Anthem/Blue Cross has the majority of the enrollments, which is consistent with December enrollment.

Mr. Sanchez also stated that MRMIB will continue to be posting enrollment and performance reports for all programs on the MRMIB website so public partners can see that information.

Mr. Sanchez also reported that AIM has received almost 800 applications to date from Covered California. 230 are still being processed. Of those received, almost all of them had missing information because it was a Covered California application and thus didn't have income documentation. MRMIB staff has followed up with those applicants and found that less than 1% are over 30 weeks pregnant based on the date the application

was received at Covered California, which was one of the conditions that the Board gave (receipt date of the application of Covered California is considered to be the receipt date for the AIM application). About half did not want to be considered for AIM and withdrew their application. Of the remaining applications, Mr. Sanchez stated that those families were called and sent letters trying to get the missing information. 93% of the applications timed out and were denied as incomplete. 4% of the applications, based on submitted income information, may qualify for no-cost Medi-Cal and those applications have been forwarded to the county. 2% of applicants had income levels above the AIM level, but are still going through an eligibility determination with Covered California.

Mr. Sanchez reported that the 93% of applicants that didn't submit information in time will be getting a letter notifying them that they were denied because their application was incomplete. Mr. Sanchez stated that these people can continue to submit additional information and if enough information is received, an eligibility determination will in fact take place. The door is not closed.

Chairman Allenby asked if there were any questions or comments.

Ms. Quacinella asked Mr. Sanchez to repeat the percentage of applicants who may qualify for Medi-Cal and the percentage who are qualifying for AIM. Mr. Sanchez repeated the data indicated above regarding the outcome of the 800 applications from Covered California. Ms. Quacinella asked Mr. Sanchez what percentage are AIM eligible at this point, and Mr. Sanchez said he would have to get back to her on that.

Ms. Quacinella said she'd like to focus on the 93% of applicants who have been timed out. She stated that it's important to remind ourselves that AIM was supposed to be part of the Covered California application, and that those women were entitled to a review for AIM from the get-go but have been overlooked.

Ms. Quacinella said she appreciates the effort to put a little Band-Aid on this process, but the point remains that she has been saying that if people are made to submit income documentation, you will lose them. She stated that nobody told these women when they applied that they would have to send income documentation in. To the contrary, they are told when applying to Covered California that income will be checked through the federal HUB. Ms. Quacinella stated that this is a big, big issue. She is encouraged to hear that another round of letters will be going out, but also feels that the numbers won't get better with another mailing.

Ms. Quacinella stated she had two requests for the Board's consideration. The first request is that the Board consider exercising its administrative authority to exempt applicants from income documentation before enrollment and to have a post-eligibility process. She stated that federal law allows a CHIP-funded program to enroll people first and then within a reasonable amount of time, go back to collect the missing information. The second request is that there be much more outreach. Ms. Quacinella stated that this is a target population and we know who they are and where to find them, and that another letter in the mail is not going to work.

Chairman Allenby asked Ms. Quacinella how she proposes to do outreach.

Ms. Quacinella said that this is the first she's heard about the 93% of applicants who have been timed out, and that she needs time to consult others and reflect. She stated that it's a question of intense customer service, whether it comes from Covered California or DHCS and MRMIB who have the responsibility to include all of the insurance affordability programs. Ms. Quacinella emphasized that we cannot lose these pregnant women.

Chairman Allenby stated that he will ask Board staff to look into it and see what kind of administrative authority the Board has to act or not act.

Ms. Quacinella requested an expedited time frame to meet about this issue, and Mr. Sanchez replied that he will get together with the administrative vendor staff to discuss this and will get back to Ms. Quacinella in the next week or so.

Chairman Allenby asked if there were any other questions or comments, and there were none.

The AIM Enrollment Report is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_item_6.a_AIM_Board_Report_Summary_December_2013.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 6.b, Administrative Vendor Performance Report.

Mr. Sanchez reported that the vendor continues to meet all performance standards in completeness and eligibility determination, data transmissions and the toll-free line standards, and also the quality and accuracy standards for the AIM Program.

Chairman Allenby asked if there were any questions or comments, and there were none.

The AIM Administrative Vendor Performance Report is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_item_6.b_AIM_Admin_Vendor_Perf_December%202013.pdf

2014 AIM Handbook

Mr. Sanchez reported on Agenda Items 6.c. and 6.d., the 2014 AIM Handbook and MCHA Letter concerning the AIM Handbook.

Mr. Sanchez stated that beginning on page 2 of the application, a number of changes were made based on the comments from Lynn Kersey and Ms. Quacinella in the MCHA letter.

Under "What is the AIM Program", Mr. Sanchez reported that MCHA's comments were taken on rewording the initial sentence. In addition, Mr. Sanchez reported that he got clarification from DHCS on the naming of the DHCS AIM Linked program, and clarified that while it may be a Medicaid look-alike, it's not Medi-Cal per se. He also reported that there are a few instances on the page where there is a duplicate DHCS ALICP and that will be corrected moving forward. On the last sentence in that paragraph, Mr. Sanchez

stated that Ms. Quacinella's comments were taken in clarifying that a baby is enrolled in the AIM program with potential eligibility up to two years. The only thing that would prevent a baby from being enrolled initially in the program is if the baby was already enrolled in no-cost Medi-Cal or had employer-sponsored coverage, or at the one-year mark if income no longer qualifies at the annual eligibility review.

Mr. Sanchez reported that there are a couple of sections where staff is awaiting input from DHCS. DHCS is supposed to provide a paragraph to define and describe the Medi-Cal Healthcare Delivery System.

Mr. Sanchez pointed out that on page two in the second column, the AIM website (where one can get the infant registration form) was added. He also stated that it was clarified in the handbook that if there's a premium associated with the DHCS Aim Linked Infant and Children's program, that DHCS would receive premiums. In addition, Mr. Sanchez stated that the handbook was highlighted to emphasize that coverage won't begin until the program receives the required infant registration form.

Mr. Sanchez reported that under the "When does my baby's coverage start?" section of the handbook, some of the changes suggested by MCHA were added. Specifically, the second sentence states that the infant's coverage continues until the first birthday based on the AIM mother's eligibility, which goes to what Ms. Quacinella was asking about earlier. In addition, the infant's second year of coverage can continue if the family's income continues to qualify for the program.

Mr. Sanchez also stated that on page two in the bottom of the last column, MHCA's suggestions were taken to provide direction to an applicant in terms of the need to submit the infant registration form even if DHCS coverage for an infant is not desired. There was also a checkbox added to that form based on input from Ms. Kersey, where parents still need to provide birth outcome information despite a desire to obtain infant coverage.

Mr. Sanchez pointed out the AIM services charts, but highlighted that in converting the document from the publishing software into a Word document the formatting has been messed up. He stated that the verbiage in the first line on the top of page 3 and the verbiage after the box will all be above the box in the final publishing format.

Mr. Sanchez then stated that on page 7 of the handbook, under "Who will provide healthcare services for you and your baby?" it was highlighted (based on MHCA feedback) that a baby will not be covered until the required infant registration form is submitted. It was also highlighted that an infant will stay covered by DHCS ALICP at the annual eligibility review if income guidelines are met, and at the second annual eligibility review, family income will be evaluated to see if the family is eligible for no-cost Medi-Cal, the optional targeted low-income program, which used to be Healthy Families, or Covered California.

On page 8 of the handbook, Mr. Sanchez stated that MHCA's suggestions were taken as to the definition of the modified adjusted gross income. A small tweak was made on number 2 based on MHCA's suggestion. On number 3, the confusing benefit chart was deleted and replaced with MHCA's suggestion to instruct applicants to only list income that would be reported on a federal income tax return. Under number 4, the "pregnant woman" sentence was reworded as suggested.

Mr. Sanchez reported that on page 9 of the handbook under “documentation if you don’t submit an SSN or an I-10”, it was clarified that the NOA had to be issued after January 1, 2014 so that it was based on MAGI income.

Referring to page 10 of the handbook, Mr. Sanchez stated that based on feedback from MHCA, terminology was changed in paragraphs two and three to get away from the AIM MAGI guidelines into the AIM eligibility guidelines. The link to the DHCS website discussing presumptive eligibility was also added based on MHCA’s suggestion. There was also some feedback from MHCA in regards to the Medi-Cal Privacy Notice. Mr. Sanchez reported that that question has been forwarded to DHCS and is still awaiting a response.

Mr. Sanchez stated that MHCA had asked for additional changes to the language on credit reporting on page 11 of the handbook. MRMIB staff tried to make it clear here that the AIM Program was set up so a woman would never be disenrolled for failure to pay premiums, as the state has a vested interest in assuring that a pregnant woman gets prenatal care. However, through state law it is required that if a mother fails to pay her premiums or subscriber contributions, there must be credit reporting. Mr. Sanchez stated that MRMIB staff wanted to clarify that the way it works with the credit reporting agencies is that if you correctly report someone for a late payment, even when paid in full, it will be noted as a paid in full late payment on the credit report.

On the bottom of page 11 of the handbook under “How do you apply?” Mr. Sanchez stated that it was clarified that the only time an applicant needs to send in income documentation is if a SSN or I-10 number is not listed. In addition, based on MHCA’s suggestion a “When does your AIM coverage begin?” area was added. There is also information provided on how an application is processed and what happens when an application is incomplete.

Mr. Sanchez stated that in section 3 of the handbook, in the application itself, MHCA had asked that the wording regarding the father’s completion of the application be changed. It was also clarified that information on the father of the unborn child is only needed if the father is living with the pregnant woman, is married to her and is part of her federal income tax household. Under the prior rules, an unmarried father of the baby was counted as part of the household, but that has changed under MAGI.

On page 19 under “Registering your infant”, Mr. Sanchez reported that MHCA wanted to get rid of the Medi-Cal for Families naming terminology. In consultation with DHCS, MRMIB staff tried to make it clearer. The reason that terminology is being used is because that’s the name that will be on the monthly invoice that goes to the family if there is a premium for the AIM Linked infant. Also, the prior suggestion by MHCA that it be emphasized that infant coverage will not begin until the required registration form is received was also continued here on this page of the handbook.

Mr. Sanchez reported that on page 36, under frequently asked question number 1, the terminology was changed. Instead of a reference to the white pages for those applicants under AIM guidelines, it was updated in that AIM program applications are forwarded if an applicant is determined to be below the AIM income level. Also, under the definition of a complete application, it was specified that if a SSN or I-10 number is not submitted, then the application won’t be complete without income documentation.

The last tweak made based on MHCA's suggestions is on the infant registration form on page 42. Mr. Sanchez reported that instead of "immediately after the baby", it has been changed to say "after your baby's birth and within 30 days of the birth, complete this form and mail in." MHCA also questioned the reason for asking for address and phone number. It was reworded to say that if an applicant's address or phone number changes, MRMIB or DHCS needs to be updated on that information.

Mr. Sanchez reported that almost every suggestion from the MHCA letter was addressed, although it had to be done quickly as there was only one day to get this done. If there was something inadvertently missed, MRMIB staff is willing to look at it because they are still awaiting language from DHCS. Mr. Sanchez stated that the goal is to get the handbook to print by Friday, and provide Maximus with the English version so they can get the handbook over to the printer, then get it over to translation for the other two languages in the program.

Chairperson Allenby asked if there were any questions or comments.

Ms. Quacinella thanked Mr. Sanchez for the careful review and for considering MHCA's comments. She stated that she appreciates the offer to circle back on three different things. One of those things that jumped out is that MHCA had suggested that there be some FAQs added on concerning what happens with the infants, not just with the moms.

Ms. Quacinella also thanked Mr. Sanchez for clarifying the tax household question because that is a major dramatic change on a broader policy level. She stated that she is unsure about whether AIM regulations go into that level of detail, and that awhile back MHCA had suggested that the regulations on household composition and income counting be given more detail. However, the approach was taken instead to incorporate the tax rules by reference. However, Ms. Quacinella pointed out that the only place where this tax household clarification is now memorialized is on the application form. She stated that it's very important for all of us to recognize that this is a very important change in household composition and whose income counts, and this explanation is not even in the handbook (besides the application) or in the regulations. It may not be a problem but is administratively something we all need to be aware of.

Ms. Quacinella stated that the other big policy question concerns Mr. Sanchez's previous declaration that if it appears a woman is eligible for Medi-Cal instead of AIM, then the AIM application will be forwarded directly to the county. Mr. Sanchez stated that Ms. Quacinella is correct and that this has been occurring with the AIM Program for several years. Ms. Quacinella stated that yes, this was her understanding and is how it should be, which she appreciates. However, she doesn't think that this information should be left solely to the FAQ section at the back of the handbook. She stated that people need to be told early on in the process that if it looks like they are eligible for Medi-Cal, the application will be forwarded on to Medi-Cal. She wants to be sure that it is clearly communicated that the AIM application will be given to the county without the need to reapply.

Mr. Sanchez highlighted the fact that section 4 of the application indicates that if an application is not AIM eligible, it will be forwarded to Medi-Cal or Covered California for a determination. Ms. Quacinella replied that it appears then that the first time this

information is mentioned is on the application form, but it would be helpful if there was a place up front in the handbook instructions that explained this. She stated that this relates to the other big policy issue raised in the MHCA written comments which is, is this form going to start the process for Medi-Cal and Covered California? It appears the answer is yes.

Ms. Quacinella also inquired over whether there would be time on the agenda today for two other issues: 1) the status with using the CalHEERS calculator for the AIM applications as they come in with the new application that now collects MAGI information and 2) the status on incorporating AIM into the Covered California application process, both online and on paper, in a single streamlined app.

Mr. Sanchez reported that he is happy to let people know that MRMIB, Maximus and CalHEERS and the Covered California team have successfully implemented the AIM/CalHEERS interface so the ability to bring in the MAGI business rule logic for calculating income exists. For those applications which do not include income documentation, it is possible to use the electronic verification of the federal HUB and the data sources there to validate information given on the application.

Ms. Quacinella stated that this information is fabulous and congratulated Mr. Sanchez on meeting the deadline. Chairman Allenby stated that we are doing the best with what we have.

Ms. Quacinella then stated that she didn't want to miss the opportunity to say that we have the tools for the 800 missed women to get them covered and then go about collecting the other information we need through the hub. There's no reason to leave those women uninsured in the meantime.

Mr. Sanchez stated that in regards to Ms. Quacinella's question regarding full integration in July, this is still the plan and MRMIB will be working with Covered California and DHCS to continue on that full integration.

Ms. Quacinella requested that consumer advocates, providers, plans, and whoever else wants to participate be invited to do so while things are developing, rather than waiting to the end of the process. She stated that MHCA tried their best for two years in the run-up to the ACA implementation on October 1 in California to make sure AIM was included, and she still doesn't understand how everyone failed at getting that done. Chairman Allenby stated that we don't like to have that happen. Ms. Quacinella stated she doesn't like it either, and doesn't want it to happen again. She stated that it's been a collaborative process and everyone has done the best we can. Now we need to figure out how to get these 800 identified women covered. She stated that MHCA would like to be invited to participate in the review at timely, appropriate junctures in the hopes of avoiding a major crisis like this. Ms. Quacinella concluded by saying that MHCA promises to turn things around as quickly as possible to move forward in the right way.

Chairman Allenby thanked Ms. Quacinella and asked if there were any other comments or questions. There were none.

The 2014 AIM Handbook can be located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_Item%20c%202014_AIM_Handbook_1-15-14.pdf

The MHCA letter can be located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_011514/Agenda_Item%20d%20MCHA_letter_on_AIM_handbook_1-15-14.pdf

The meeting was adjourned at 11:32 a.m.